

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

FARM TELEPHONES & ELECTRICITY

May 16, 1958

Farm Utility Bills Nearly Double In Decade

LIBRARY
CURRENT SERIAL RECORD

MAR 4 - 1959

Increased application of electricity to farm and home tasks and wider availability of improved telephone service during the last 10 years have almost doubled the bills that farmers are paying for these services according to surveys made by the Agricultural Marketing Service.

Telephone local service charges increased 88 percent, from \$2.05 to \$3.85 per month, over the 10-year period. This has been due to general rate increases and conversion to higher cost dial service in many rural areas. Average billing for long distance service increased during the period but not as much as local service charges. They have, however, shown an upward trend. The total monthly bills increased 79 percent from \$3.26 in 1947 to \$5.82 in 1957. Except for 1954, each year since 1947 has shown an increase over the previous year.

Average monthly use of electricity went up 142 percent from 171 kilowatt-hours in 1947 to 414 in 1957 but the average bill rose only 91 percent. As a result, the average cost per kilowatt-hour declined 21 percent from 3.22 cents in 1947 to 2.54 cents in 1957. The reduction in cost per kilowatt-hour is primarily due to the "step-down" rate structure generally followed where the cost per kilowatt-hour declines as more power is consumed.

Telephone and Electricity: Average monthly cost to farmers, United States, 1947-57

Year	Telephone			Electricity		
	Local	Long	Total	Quantity used	Avg. cost	Average
	service	distance	bill	per month	per kwh.	monthly bill
	dollars	dollars	dollars	kwh	cents	dollars
1947	2.05	1.21	3.26	171	3.22	5.51
1948	2.33	1.36	3.69	198	3.11	6.16
1949	2.49	1.44	3.93	219	3.06	6.70
1950	2.67	1.55	4.22	237	3.01	7.13
1951	2.87	1.67	4.54	260	2.92	7.59
1952	3.06	1.56	4.62	277	2.86	7.92
1953	3.24	1.71	4.95	317	2.77	8.78
1954	3.33	1.59	4.92	363	2.65	9.62
1955	3.46	1.68	5.14	385	2.61	10.00
1956	3.66	1.79	5.45	406	2.56	10.40
1957	3.85	1.97	5.82	414	2.54	10.50

(Over)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
AGRICULTURAL ESTIMATES DIVISION
WASHINGTON 25, D.C.

Penalty for private use to avoid
payment of postage, \$300.

OFFICIAL BUSINESS

Cost per kilowatt-hour of electricity decreases
as consumption increases

